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STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/2006 To (mo./yr.) 12/2006
2. DOGM File Number (Mine No): M/035/004
3. Mine Name: Pine Canyon Reclamation
4. Mineral(s) Mined (or permitted to mine): Copper and associated metals
5. Type of mine: ☐ Surface Mine or ☒ Underground Mine
6. Legal Description (Location of Lands Affected):  
\_\_\_\_ 1/4, \_\_\_\_ 1/4, \_\_\_\_ 1/4, Section \_\_\_\_, Township \_\_\_\_, Range \_\_\_\_  
\_\_\_\_ 1/4, \_\_\_\_ 1/4, \_\_\_\_ 1/4, Section \_\_\_\_, Township \_\_\_\_, Range \_\_\_\_  
\_\_\_\_ 1/4, \_\_\_\_ 1/4, \_\_\_\_ 1/4, Section \_\_\_\_, Township \_\_\_\_, Range \_\_\_\_

S1/2 SW1/4, Section 17;

N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4 Section 20;

SW1/4 SW1/4, Section 21;

W1/4 NW1/4, Section 28;

NE1/4 NE1/4, Section 29;

Township 3 South, Range 3 West

7. Name of Operator or Company: Kennecott Utah Copper Corp.
8. Permanent Street Address: 8362 W 10200 S  
City, State, Zip: Bingham Canyon, Utah, 84006  
Phone (801) 569-6356 Fax: (801) 569-7192 E-mail: jackson1@kennecott.com
9. Company Representative (or designated operator):  
Name: Rohan McGowan-Jackson  
Title: Manager, HSE & SD  
Business Address: P.O. Box 6001  
City, State, Zip: Magna, Utah, 84044-6001

Phone: (801) 569-6356 Fax: (801) 569-7192 E-mail: [jacksor1@kennecott.com](mailto:jacksor1@kennecott.com)  
☒ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was there any mine related activity during the past year? Yes ☐ No ☒
2. If no - what was the last year of activity? The mine was last active in 1983. Kennecott Utah Copper Corp. purchased the inactive property from Anaconda Minerals Co. in 1985.
3. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material. Not Applicable - No mining activities
4. Briefly describe the type of work performed, during the past year. Water is pumped out of the Carr Fork Shaft and piped through the Pine Canyon/Parvenue Tunnel to the Bingham Canyon Mine where it is managed through established water collection systems. The water is being removed as part of the general pit dewatering program at the Bingham Canyon Mine and for use as process water at the Copperton Concentrator. The only other work was general systems maintenance on electrical and pumping equipment.
5. How much **new or additional acreage** was disturbed during the past year? No additional acreage was disturbed in 2006.
6. How much acreage was **reclaimed** during the past year? No final reclamation activities were carried out in 2006.
7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results. (Submit form MR-SITE for an application for full or partial bond/site release). No reclamation took place in 2006.
8. What is the **total disturbed acreage of entire project** at years end? The only disturbed acreage remaining in Pine Canyon are those sites identified in the 1988 reclamation plan that were left in place for long term use and cover an area of approximately 17.3 acres. These sites include the Pine Canyon tunnel portal, concrete flume, production shaft head frame, service shaft, access road, warehouse shop, culinary water system with water supply wells, power line to wells, fresh water tank and a small waste rock pile adjacent to the head frame which was left unreclaimed due to the steep grade.
9. Briefly summarize any mining and/or reclamation plans for the upcoming year. Water will continue to be pumped out of the Carr Fork shaft and piped through the Pine Canyon/Parvenue Tunnel to the Bingham Canyon Mine for ultimate use as process water at the Copperton Concentrator.

Although there have been no significant changes since 1988, a map showing the remaining Pine Canyon facilities is attached (Map 454-T-0229).

10. The operator shall keep and maintain timely records relating to his performance under the Act, and shall make these records available to the Division upon request.

**NOTE:** Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information - R647-4-121.2

1. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

IV. Signature Requirement

**I hereby certify that the foregoing is true and correct.**

Name (Typed or Print): Rohan McGowan-Jackson

Title of Operator: Manager, HSE & SD

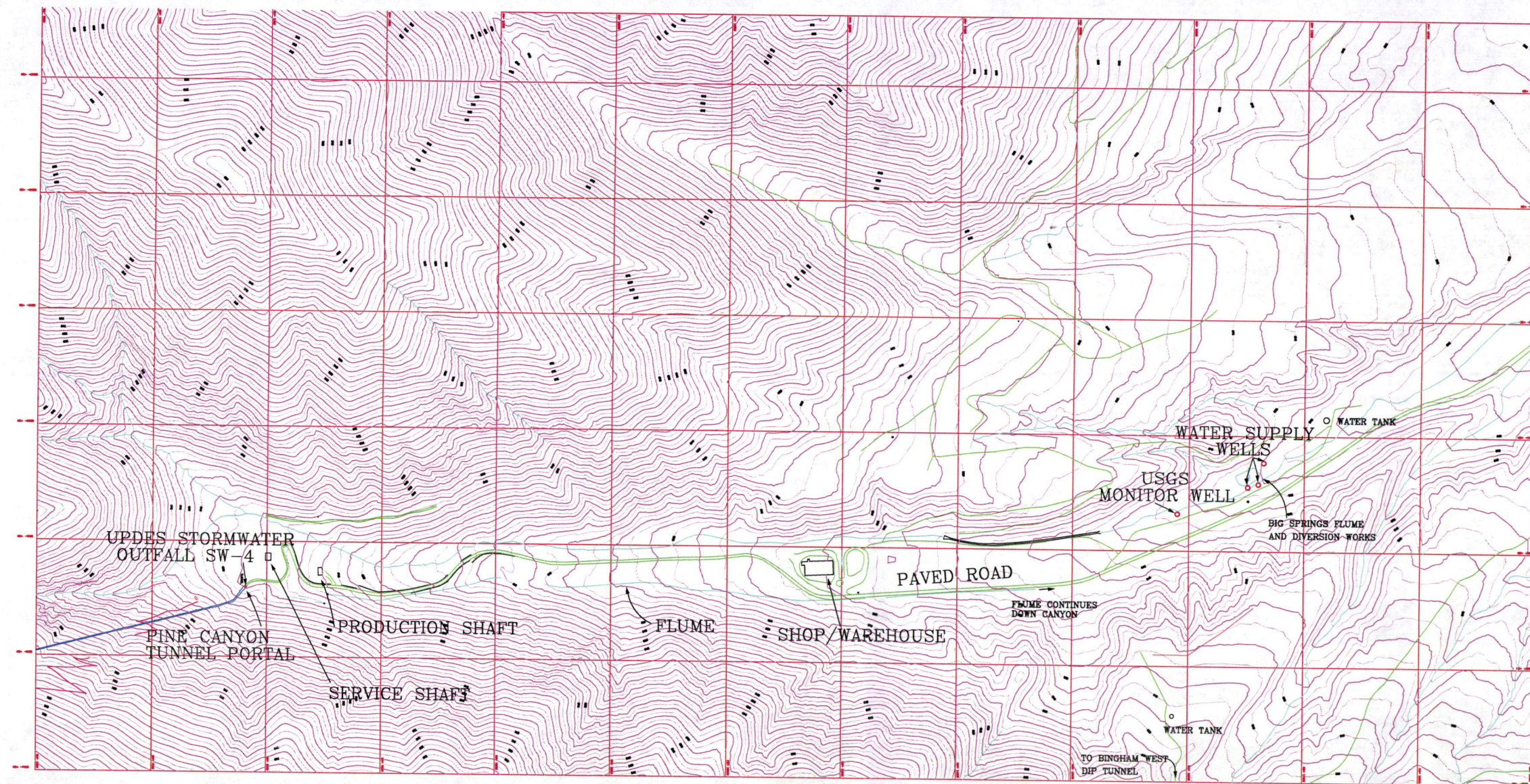
Signature of Operator:

Date: 1/27/2007

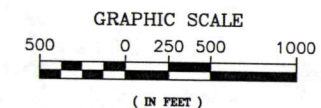
A handwritten signature in black ink, appearing to read "R. McGowan-Jackson", written over the printed name and title.

Jb  
o:\forms\reports\MR-AR





○ PRODUCTION WELL  
APPROXIMATE LOCATION



STRATEGIC RESOURCES GROUP		KENNECOTT UTAH COPPER	
SCALE: 1"=500'	DATE	PINE CANYON REMAINING FACILITIES	
DESIGNED BY VP	3/2006		
DRAWN BY JI	3/2006		
CHECKED BY VP	3/2006		
PROJECT ENGINEER			
PROJECT MANAGER VP		Job No. ---	Dwg. No. 454-T-0229 <small>REV 01</small>



Kennecott Utah Copper Corporation  
P.O. Box 6001  
Magna, Utah 84044-6001  
(801) 569-6000

(801) 569-6356 (Phone)  
(801) 569-7192 (Fax)

Rohan McGowan-Jackson  
Manager, Health, Safety & Environment  
and Sustainable Development



January 31, 2007

Ms. Susan White, Mining Program Coordinator  
Minerals Reclamation Program  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

Subject: Annual Reports for 2006, Kennecott Utah Copper Corporation

Dear Ms. White,

Enclosed are the completed annual reclamation report forms (1/1/2006 through 12/31/2006) for the following Kennecott Utah Copper Corporation (KUCC) DOGM permits:

M/035/002	Bingham Pit and UCD Modernization (Active)
M/035/011	4 <sup>th</sup> Line / Copperton Concentrator (Active)
M/035/015	North Impoundment / Saltair / Tailings (Active)
M/035/004	Pine Canyon Reclamation Project (Inactive)

As in previous year's reports, all disturbed and reclaimed acreage on the Magna Tailings Impoundment are reported under permit number M/035/002. There were some minor areas of newly disturbed land at the mine due to placement of a temporary growth media stockpile as well as some additional disturbed land related to Kennecott Land Company (KLC) soil removal activities.

In 2006, KUCC spent approximately \$5.53 million dollars on reclamation activities within the boundaries of permit M/035/002. After correcting for inflation, this equates to approximately \$ 2.28 million dollars spent in 1978 dollars using the GDP deflator inflation calculator. This far exceeds the requirements of permit M/035/002 "to expend a minimum average, excluding salaries, but not operating wages, of \$50,000 – 1978 dollars per year for each three (3) year period, in maintaining a program of experimentation and in the application of the best available technology toward rehabilitation of land associated with or affected by mining or processing operations."

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The total cost includes purchase and application of seed, seedlings, fertilizer, and limestone, equipment rental, equipment maintenance, contractor costs associated with growth media salvage, and demolition of historical facilities as well as costs associated with KUCC's experimental program. This number does not account for costs associated with KLC soil removal activities or operating wages associated with KUCC re-grading activities.

Updated maps from the 2006 survey will be submitted to the Division no later than February 28, 2007. The updated maps will show locations of new mine buildings and 2006 E1 waste rock pushbacks to assist with regular updates of the Bingham Canyon Mine 2003 Reclamation and Water Management Plan.

If you have any questions about these annual reports, please contact me at 569-6000.

Sincerely,

A handwritten signature in black ink, reading "R. McGowan-Jackson", written in a cursive style.

Rohan McGowan-Jackson,  
Manager, Health, Safety & Environment  
and Sustainable Development